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UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA

* * * * *

IN RE:

BRISTLECONE, INC., dba BRISTLECONE
HOLDINGS

- ☐ Affects this Debtor.
☒ Affects all Debtors.
☐ Affects Boonfi LLC
☐ Affects Bristlecone Lending, LLC
☐ Affects Bristlecone SPV I, LLC
☐ Affects I Do Lending, LLC
☐ Affects Medly, LLC
☐ Affects One Road Lending, LLC
☐ Affects Wags Lending, LLC

Debtors.

Case No.: BK-17-50472-btb (Chapter 11)
Jointly Administered with:

17-50473-btb BOONFI LLC
17-50474-btb BRISTLECONE LENDING, LLC
17-50475-btb BRISTLECONE SPV I, LLC
17-50476-btb I DO LENDING, LLC
17-50478-btb MEDLY, LLC
17-50479-btb ONE ROAD LENDING, LLC
17-50480-btb WAGS LENDING, LLC

**MOTION FOR ORDER APPROVING THE
SALE OF CERTAIN ASSETS FREE AND
CLEAR OF ALL LIENS, CLAIMS,
ENCUMBRANCES AND INTERESTS OR
FINANCING TRANSACTIONS
(11 U.S.C. §§363(b) and (f))**

Hearing Date: July 12, 2017
Hearing Time: 2:00 p.m.
Est. Time: 15 minutes
Set by: Calendar Clerk

Jointly Administered Debtors herein, specifically, BRISTLECONE, INC., dba
BRISTLECONE HOLDINGS, a Delaware corporation, and its wholly owned subsidiaries,
BOONFI LLC, a Nevada limited liability company, BRISTLECONE LENDING, LLC, a
Nevada limited liability company, BRISTLECONE SPV I, LLC, a Nevada limited liability

company, I DO LENDING, LLC, a Nevada limited liability company, MEDLY, LLC, a Nevada limited liability company, ONE ROAD LENDING, LLC, a Nevada limited liability company, and WAGS LENDING, LLC, a Nevada limited liability company (collectively the “Debtors” or “Debtor Entities”), by and through their counsel, STEPHEN R. HARRIS, ESQ., of HARRIS LAW PRACTICE LLC, hereby request the Court to issue an order approving their sale of certain personal property assets free and clear of all liens, claims, encumbrances and interests pursuant to 11 U.S.C. §363(b) and (f), and state and allege as follows:

STATEMENT OF FACTS

1. The primary assets of the eight (8) Debtor Entities, calculated as of April 18, 2017 (“Petition Date”), are detailed as follows:

a. Bristlecone, Inc. dba Bristlecone Holdings (“Bristlecone”) has bank accounts with a total balance of \$152,188.22; \$0.00 accounts receivable; investments consisting of 100% member’s interest in BoonFi LLC, value unknown; 100% member’s interest in Bristlecone Lending, LLC, value unknown; 100% member’s interest in Bristlecone SPV I, LLC, value unknown; 100% member’s interest in I Do Lending, LLC, value unknown; 100% member’s interest in Medly, LLC, value unknown; and 100% member’s interest in One Road Lending, LLC, value unknown; 100% member’s interest in Wags Lending, LLC, value unknown. Bristlecone has office furniture, fixtures and equipment valued at \$119,610.20 (fair market value estimate); office equipment including all computer equipment and communication systems, equipment and software, including miscellaneous computer monitors, filing cabinets, cubicles, appliances, headsets, dishware, office décor, chairs, telephones, office supplies, kiosks, desks, and other office equipment valued at \$6,249.56. Leasehold improvements with a value of \$0.00. Intangibles and intellectual property consisting of origination/pricing logic and algorithms for approval and pricing and customized applications and lease agreements for all eight (8) Debtor Entities; trademarks for all eight (8) Debtor Entities; for all eight (8) Debtor Entities, the Internet domain names including all domain names owned by Bristlecone, Google accounts, websites including all website historical data and logs, and website infrastructure, custom built Salesforce infrastructure, custom built Tableau dashboards and workbooks,

1 product development records and historical data (including but not limited to those located in or
2 utilizing Youtrack, Wrike, Asana, Slack, and other first or third party software or applications),
3 custom built communication templates (including but not limited to all email templates, all
4 Mailchimp templates, all Mandrill templates, letter and other form documents, all training
5 materials, all marketing materials, all promotional offer templates, and other communication
6 templates designed to communicate to a consumer, retailer, third-party vendor, strategic partner,
7 or employee/independent contractor), marketing source materials and data (including but not
8 limited to website content from the websites of all eight (8) Debtor Entities, marketing materials
9 and contacts and lists from Constant Contact, and all other materials and data used to develop
10 marketing materials), customer and retailer historical data (including but not limited to all
11 customer application historical data, all customer lease agreement historical data, all customer
12 communication records and historical data, all customer payment histories, all customer credit
13 information, all retailer communication records and historical data, historical data collected on
14 all present and former retailers for all eight (8) Debtor Entities, business contact lists for all
15 eight (8) Debtor Entities, Google analytics historical data for all eight (8) Debtor Entities, 8x8
16 fax number and stored data, all recorded phone calls for all eight (8) Debtor Entities, and all
17 other customer and retailer historical data developed or kept for any or all of the eight (8)
18 Debtor Entities), employee communication history and data (including but not limited to
19 communications via Slack, all data stored on tablets and/or computers, employee/independent
20 contractor files, and all other history and data of communications between Bristlecone
21 employees/independent contractors, and history and data of communications between
22 Bristlecone employees/independent contractors and third party vendors servicing or acting on
23 behalf of as agents for Bristlecone or any of the eight (8) Debtor Entities), legal/compliance
24 records and data (including but not limited to policies and procedures, merchant/retailer
25 agreements, employee handbooks and training materials, employee/independent contractor files,
26 third party vendor handbooks and training materials, legal research, legal memos, legal
27 opinions, and any other legal or compliance records and data developed or maintained by
28 Bristlecone or any of the eight (8) Debtor Entities), custom built software platform (including

1 but not limited to software platforms for underwriting, decision making, customer management,
 2 lease management, customer/retailer communication, application program interface, general
 3 contract management, retailer training, permissions management, state-specific compliance,
 4 payment processing, funding management, customer relationship management integration,
 5 accounting integration, credit bureau integrations, fraud detection/management,
 6 deployment/continuous integration management, electronic signature management/integration,
 7 pet warranty management, FAQ management, authentication management, and all other
 8 customer built software platforms), custom built Alteryx workflows, custom built software tools
 9 (including but not limited to phone call archiver, investor website, tablet power manager,
 10 standalone application program interface architecture, buyout calculator website, and all other
 11 custom built software tools), customized webpages, cost and terms software, values unknown;
 12 miscellaneous goodwill, values unknown; the medical/hearing aid, furniture, auto, bridal, and
 13 pet industry relationships (point of sale/strategic relationships), values unknown; Barkify.Dog
 14 trademark and intellectual property, values unknown; all the non-competes from the
 15 employment contracts for all existing employees, values unknown. Additionally, causes of
 16 action against third parties are detailed as follows: potential causes of action for intentional
 17 interference with contractual relations against Nextep Funding, LLC; Nextep Finance, LLC;
 18 Pinogy Retail Services, LLC; Sam Paul; Brian Davis; Rob Cook and Dusty Wunderlich, values
 19 unknown; Potential causes of action for breach of contract against Nextep Funding, LLC;
 20 Nextep Finance, LLC; Sam Paul; Brian Davis; Dusty Wunderlich; Saul Perez; Lucas Combs,
 21 Matthew Hack, Doug Harding, LBC Origination, Inc., and Nick Brewer, values unknown;
 22 Potential causes of action for breach of covenant of good faith and fair dealing against Nextep
 23 Funding, LLC; Nextep Finance, LLC; Sam Paul and Brian Davis, values unknown; Potential
 24 causes of action for bad faith lender liability and related claims against Westminster National
 25 Capital Co., LLC and Phil Burgess and their assignees or successors-in-interest, values
 26 unknown; Potential causes of action for misappropriation of confidential information and trade
 27 secrets against Nextep Funding, LLC; Nextep Finance, LLC; Pinogy Retail Services, LLC; Rob
 28 Cook; Sam Paul; Brian Davis; Dusty Wunderlich; Saul Perez; Lucas Combs, Doug Harding,

Matthew Hack, Anthony Malanga, LBC Origination, Inc., and Nick Brewer, values unknown; Potential causes of action for defamation against Nextep Funding, LLC; Nextep Finance, LLC; Pinogy Retail Services, LLC; Sam Paul and Brian Davis, values unknown; and potential causes of action for intentional interference with prospective economic advantage against Nextep Funding, LLC; Nextep Finance, LLC; Pinogy Retail Services, LLC; Sam Paul; Brian Davis; Rob Cook and Dusty Wunderlich, value unknown. Also, Bristlecone has secured claims in the amount of \$0.00, and \$3,404,036.19 in general unsecured debts, which includes an unknown claim belonging to Monterey Financial Services, Inc., arising from a certain receivables purchase agreements.

b. BoonFi LLC ("BoonFi") has bank accounts with a total balance of \$3,533.02; accounts receivable in the amount of \$47,416.94¹. BoonFi does not have any machinery, office equipment, fixtures, goodwill, or intangibles and intellectual property. Additionally, BoonFi has third party causes of action detailed as follows: Potential causes of action for intentional interference with contractual relations against Nextep Funding, LLC; Nextep Finance, LLC; Pinogy Retail Services, LLC; Sam Paul; Brian Davis; Rob Cook and Dusty Wunderlich, values unknown; Potential causes of action for breach of contract against Nextep Funding, LLC; Nextep Finance, LLC; Sam Paul; Brian Davis; Dusty Wunderlich; Saul Perez; Lucas Combs, Matthew Hack, Doug Harding, LBC Origination, Inc., and Nick Brewer, values unknown; Potential causes of action for breach of covenant of good faith and fair dealing against Nextep Funding, LLC; Nextep Finance, LLC; Sam Paul and Brian Davis, values unknown; Potential causes of action for bad faith lender liability and related claims against Westminster National Capital Co., LLC and Phil Burgess and their assignees or successors-in-interest, values unknown; Potential causes of action for misappropriation of confidential information and trade secrets against Nextep Funding, LLC; Nextep Finance, LLC; Pinogy Retail Services, LLC; Rob Cook; Sam Paul; Brian Davis; Dusty Wunderlich; Saul Perez; Lucas Combs, Doug Harding, Matthew Hack, Anthony Malanga, LBC Origination, Inc., and Nick Brewer, values unknown; Potential causes of action for defamation against Nextep Funding, LLC; Nextep Finance, LLC;

¹ The estimated fair market value for the accounts receivable and other assets listed on each Debtors' Schedules and in this Motion do not reflect actual book balances as reflected on the Debtors' internal financial statements prepared according to GAAP.

1 Pinogy Retail Services, LLC; Sam Paul and Brian Davis, values unknown; and potential causes
 2 of action for intentional interference with prospective economic advantage against Nextep
 3 Funding, LLC; Nextep Finance, LLC; Pinogy Retail Services, LLC; Sam Paul; Brian Davis;
 4 Rob Cook and Dusty Wunderlich, values unknown. Also, BoonFi has a secured claim owing to
 5 Monterey Financial Services, Inc., arising from certain lease contracts, values unknown.
 6 BoonFi has general unsecured claims totaling \$3,494.82, with priority unsecured claims totaling
 7 \$3,859.97.

8 c. Bristlecone Lending, LLC ("Lending") has bank accounts with a total
 9 balance of \$41,972.53; accounts receivable total \$1,365,941.69. Lending does not have any
 10 machinery, office equipment, fixtures, goodwill, or intangibles and intellectual property.
 11 Additionally, Lending has third party causes of action detailed as follows: Potential causes of
 12 action for intentional interference with contractual relations against Nextep Funding, LLC;
 13 Nextep Finance, LLC; Pinogy Retail Services, LLC; Sam Paul; Brian Davis; Rob Cook and
 14 Dusty Wunderlich, values unknown; Potential causes of action for breach of contract against
 15 Nextep Funding, LLC; Nextep Finance, LLC; Sam Paul; Brian Davis; Dusty Wunderlich; Saul
 16 Perez; Lucas Combs, Matthew Hack, Doug Harding, LBC Origination, Inc., and Nick Brewer,
 17 values unknown; Potential causes of action for breach of covenant of good faith and fair
 18 dealing against Nextep Funding, LLC; Nextep Finance, LLC; Sam Paul and Brian Davis, values
 19 unknown; Potential causes of action for bad faith lender liability and related claims against
 20 Westminster National Capital Co., LLC and Phil Burgess and their assignees or successors-in-
 21 interest, values unknown; Potential causes of action for misappropriation of confidential
 22 information and trade secrets against Nextep Funding, LLC; Nextep Finance, LLC; Pinogy
 23 Retail Services, LLC; Rob Cook; Sam Paul; Brian Davis; Dusty Wunderlich; Saul Perez; Lucas
 24 Combs, Doug Harding, Matthew Hack, Anthony Malanga, LBC Origination, Inc., and Nick
 25 Brewer, values unknown; Potential causes of action for defamation against Nextep Funding,
 26 LLC; Nextep Finance, LLC; Pinogy Retail Services, LLC; Sam Paul and Brian Davis, values
 27 unknown; and potential causes of action for intentional interference with prospective economic
 28 advantage against Nextep Funding, LLC; Nextep Finance, LLC; Pinogy Retail Services, LLC;

1 Sam Paul; Brian Davis; Rob Cook and Dusty Wunderlich, value unknown. Lending has general
 2 unsecured claims totaling \$17,570.49. Lending has a secured claim owing to Monterey
 3 Financial Services, Inc., arising from certain lease contracts, values unknown.

4 d. Bristlecone SPV I, LLC ("SPV") has bank accounts with a total balance
 5 of \$492.91; SPV has segregated funds held by FRS BC, LLC as assignee to Princeton
 6 Alternative Income Fund in an unknown financial institution in the amount of \$1,183,159.60;
 7 accounts receivable in the amount of \$6,573,036.18. SPV does not have any machinery, office
 8 equipment, fixtures, goodwill, or intangibles and intellectual property. Additionally, SPV has
 9 third party causes of action detailed as follows: Potential causes of action for intentional
 10 interference with contractual relations against Nextep Funding, LLC; Nextep Finance, LLC;
 11 Pinogy Retail Services, LLC; Sam Paul; Brian Davis; Rob Cook and Dusty Wunderlich, value
 12 unknown. Potential causes of action for breach of contract against Nextep Funding, LLC;
 13 Nextep Finance, LLC; Sam Paul; Brian Davis; Dusty Wunderlich; Saul Perez; Lucas Combs,
 14 Matthew Hack, Doug Harding, LBC Origination, Inc., and Nick Brewer, values unknown;
 15 Potential causes of action for breach of covenant of good faith and fair dealing against Nextep
 16 Funding, LLC; Nextep Finance, LLC; Sam Paul and Brian Davis, values unknown; Potential
 17 causes of action for bad faith lender liability and related claims against Westminster National
 18 Capital Co., LLC and Phil Burgess and their assignees or successors-in-interest, values
 19 unknown; Potential causes of action for misappropriation of confidential information and trade
 20 secrets against Nextep Funding, LLC; Nextep Finance, LLC; Pinogy Retail Services, LLC; Rob
 21 Cook; Sam Paul; Brian Davis; Dusty Wunderlich; Saul Perez; Lucas Combs, Doug Harding,
 22 Matthew Hack, Anthony Malanga, LBC Origination, Inc., and Nick Brewer, values unknown;
 23 Potential causes of action for defamation against Nextep Funding, LLC; Nextep Finance, LLC;
 24 Pinogy Retail Services, LLC; Sam Paul and Brian Davis, values unknown; and potential causes
 25 of action for intentional interference with prospective economic advantage against Nextep
 26 Funding, LLC; Nextep Finance, LLC; Pinogy Retail Services, LLC; Sam Paul; Brian Davis;
 27 Rob Cook and Dusty Wunderlich, values unknown. Also, SPV's secured claim owing are as
 28 follows: secured claim owing to Monterey Financial Services, Inc., arising from certain lease

1 contracts, values unknown; a secured claim owing to Westminster National Capital Co. in the
 2 amount of \$10,549,306.11, secured by Wells Fargo Bank checking account ending in 2757; a
 3 secured claim owing to Westminster National Capital Co. secured by Wells Fargo Bank
 4 checking account ending in 2732, value unknown; a secured claim owing Westminster National
 5 Capital Co. secured by segregated funds held by FRS BC, LLC as assignee to Princeton
 6 Alternative Income Fund in unknown financial institution, value unknown. SPV has \$0.00
 7 owing to general unsecured creditors, with an unknown general unsecured claim owing to
 8 Monterey Financial Services, Inc.

9 e. I Do Lending, LLC ("I Do") has bank accounts with a total balance of
 10 \$45,015.06; accounts receivable are \$721,121.26. I Do does not have any machinery, office
 11 equipment, fixtures, goodwill, or intangibles and intellectual property. Additionally, I Do has
 12 third party causes of action detailed as follows: Potential causes of action for intentional
 13 interference with contractual relations against Nextep Funding, LLC; Nextep Finance, LLC;
 14 Pinogy Retail Services, LLC; Sam Paul; Brian Davis; Rob Cook and Dusty Wunderlich, values
 15 unknown; Potential causes of action for breach of contract against Nextep Funding, LLC;
 16 Nextep Finance, LLC; Sam Paul; Brian Davis; Dusty Wunderlich; Saul Perez; Lucas Combs,
 17 Matthew Hack, Doug Harding, LBC Origination, Inc., and Nick Brewer, values unknown;
 18 Potential causes of action for breach of covenant of good faith and fair dealing against Nextep
 19 Funding, LLC; Nextep Finance, LLC; Sam Paul and Brian Davis, values unknown; Potential
 20 causes of action for bad faith lender liability and related claims against Westminster National
 21 Capital Co., LLC and Phil Burgess and their assignees or successors-in-interest, values
 22 unknown; Potential causes of action for misappropriation of confidential information and trade
 23 secrets against Nextep Funding, LLC; Nextep Finance, LLC; Pinogy Retail Services, LLC; Rob
 24 Cook; Sam Paul; Brian Davis; Dusty Wunderlich; Saul Perez; Lucas Combs, Doug Harding,
 25 Matthew Hack, Anthony Malanga, LBC Origination, Inc., and Nick Brewer, values unknown;
 26 Potential causes of action for defamation against Nextep Funding, LLC; Nextep Finance, LLC;
 27 Pinogy Retail Services, LLC; Sam Paul and Brian Davis, values unknown; and potential causes
 28 of action for intentional interference with prospective economic advantage against Nextep

1 Funding, LLC; Nextep Finance, LLC; Pinogy Retail Services, LLC; Sam Paul; Brian Davis;
 2 Rob Cook and Dusty Wunderlich, values unknown. Also, I Do has a secured claim owing to
 3 Monterey Financial Services, Inc., arising from certain lease contracts, values unknown. I Do
 4 has general unsecured claims owing in the amount of \$9,158.21.

5 f. Medly, LLC ("Medly"), does not have a bank account. Medly has no
 6 accounts receivable. Medly does not have any machinery, office equipment, fixtures, goodwill,
 7 or intangibles and intellectual property. Additionally, Medly has third party causes of action
 8 detailed as follows: Potential causes of action for intentional interference with contractual
 9 relations against Nextep Funding, LLC; Nextep Finance, LLC; Pinogy Retail Services, LLC;
 10 Sam Paul; Brian Davis; Rob Cook and Dusty Wunderlich, values unknown; Potential causes of
 11 action for breach of contract against Nextep Funding, LLC; Nextep Finance, LLC; Sam Paul;
 12 Brian Davis; Dusty Wunderlich; Saul Perez; Lucas Combs, Matthew Hack, Doug Harding, LBC
 13 Origination, Inc., and Nick Brewer, values unknown; Potential causes of action for breach of
 14 covenant of good faith and fair dealing against Nextep Funding, LLC; Nextep Finance, LLC;
 15 Sam Paul and Brian Davis, values unknown; Potential causes of action for bad faith lender
 16 liability and related claims against Westminster National Capital Co., LLC and Phil Burgess and
 17 their assignees or successors-in-interest, values unknown; Potential causes of action for
 18 misappropriation of confidential information and trade secrets against Nextep Funding, LLC;
 19 Nextep Finance, LLC; Pinogy Retail Services, LLC; Rob Cook; Sam Paul; Brian Davis; Dusty
 20 Wunderlich; Saul Perez; Lucas Combs, Doug Harding, Matthew Hack, Anthony Malanga, LBC
 21 Origination, Inc., and Nick Brewer, values unknown; Potential causes of action for defamation
 22 against Nextep Funding, LLC; Nextep Finance, LLC; Pinogy Retail Services, LLC; Sam Paul
 23 and Brian Davis, values unknown; and potential causes of action for intentional interference
 24 with prospective economic advantage against Nextep Funding, LLC; Nextep Finance, LLC;
 25 Pinogy Retail Services, LLC; Sam Paul; Brian Davis; Rob Cook and Dusty Wunderlich, values
 26 unknown. Medly has a secured claim owing to Monterey Financial Services, Inc., arising from
 27 certain lease contracts, values unknown, and general unsecured claims totaling \$0.00.

28 g. One Road Lending, LLC ("One Road") has bank accounts with a total

balance of \$43,481.86; accounts receivable is \$2,100,134.44. One Road does not have any machinery, office equipment, fixtures, goodwill, or intangibles and intellectual property. Additionally, One Road has third party causes of action detailed as follows: Potential causes of action for intentional interference with contractual relations against Nextep Funding, LLC; Nextep Finance, LLC; Pinogy Retail Services, LLC; Sam Paul; Brian Davis; Rob Cook and Dusty Wunderlich, values unknown; Potential causes of action for breach of contract against Nextep Funding, LLC; Nextep Finance, LLC; Sam Paul; Brian Davis; Dusty Wunderlich; Saul Perez; Lucas Combs, Matthew Hack, Doug Harding, LBC Origination, Inc., and Nick Brewer, values unknown; Potential causes of action for breach of covenant of good faith and fair dealing against Nextep Funding, LLC; Nextep Finance, LLC; Sam Paul and Brian Davis, values unknown; Potential causes of action for bad faith lender liability and related claims against Westminster National Capital Co., LLC and Phil Burgess and their assignees or successors-in-interest, values unknown; Potential causes of action for misappropriation of confidential information and trade secrets against Nextep Funding, LLC; Nextep Finance, LLC; Pinogy Retail Services, LLC; Rob Cook; Sam Paul; Brian Davis; Dusty Wunderlich; Saul Perez; Lucas Combs, Doug Harding, Matthew Hack, Anthony Malanga, LBC Origination, Inc., and Nick Brewer, values unknown; Potential causes of action for defamation against Nextep Funding, LLC; Nextep Finance, LLC; Pinogy Retail Services, LLC; Sam Paul and Brian Davis, values unknown; and potential causes of action for intentional interference with prospective economic advantage against Nextep Funding, LLC; Nextep Finance, LLC; Pinogy Retail Services, LLC; Sam Paul; Brian Davis; Rob Cook and Dusty Wunderlich, values unknown. Also, One Road has a secured claim owing to Monterey Financial Services, Inc., arising from certain lease contracts, values unknown. One Road has general unsecured claims owing in the amount of \$33,512.34.

h. Wags Lending, LLC ("Wags") has bank accounts with a total balance of \$169,282.75; accounts receivable is \$7,227,559.03. Wags does not have any machinery, office equipment, fixtures, goodwill, or intangibles and intellectual property. Additionally, Wags has third party causes of action detailed as follows: Potential causes of action for intentional

1 interference with contractual relations against Nextep Funding, LLC; Nextep Finance, LLC;
 2 Pinogy Retail Services, LLC; Sam Paul; Brian Davis; Rob Cook and Dusty Wunderlich, values
 3 unknown; Potential causes of action for breach of contract against Nextep Funding, LLC;
 4 Nextep Finance, LLC; Sam Paul; Brian Davis; Dusty Wunderlich; Saul Perez; Lucas Combs,
 5 Matthew Hack, Doug Harding, LBC Origination, Inc., and Nick Brewer, values unknown;
 6 Potential causes of action for breach of covenant of good faith and fair dealing against Nextep
 7 Funding, LLC; Nextep Finance, LLC; Sam Paul and Brian Davis, values unknown; Potential
 8 causes of action for bad faith lender liability and related claims against Westminster National
 9 Capital Co., LLC and Phil Burgess and their assignees or successors-in-interest, values
 10 unknown; Potential causes of action for misappropriation of confidential information and trade
 11 secrets against Nextep Funding, LLC; Nextep Finance, LLC; Pinogy Retail Services, LLC; Rob
 12 Cook; Sam Paul; Brian Davis; Dusty Wunderlich; Saul Perez; Lucas Combs, Doug Harding,
 13 Matthew Hack, Anthony Malanga, LBC Origination, Inc., and Nick Brewer, values unknown;
 14 Potential causes of action for defamation against Nextep Funding, LLC; Nextep Finance, LLC;
 15 Pinogy Retail Services, LLC; Sam Paul and Brian Davis, values unknown; and potential causes
 16 of action for intentional interference with prospective economic advantage against Nextep
 17 Funding, LLC; Nextep Finance, LLC; Pinogy Retail Services, LLC; Sam Paul; Brian Davis;
 18 Rob Cook and Dusty Wunderlich, values unknown. Wags has general unsecured liabilities
 19 owing in the amount of \$147,759.28, with a secured claim owing to Monterey Financial
 20 Services, Inc., arising from certain lease contracts, values unknown.

21 2. The secured and general unsecured claims that have been obligated to by the eight
 22 (8) Debtor Entities as of the Petition Date, are detailed as follows:

23 a. Monterey Financial Services, Inc. Receivables Purchase Agreement dated
 24 January 13, 2014, with Wags, LLC, and a Receivables Purchase Agreement dated May 20,
 25 2015, with Wags, LLC. The estimated total amount owing is \$2,103,511.03, including the
 26 secured claims detailed in Paragraphs 2.a through 2.e herein. A UCC-1 was filed on February
 27 20, 2014, in favor of Monterey Financial Services, Inc., against collateral consisting largely of
 28 all the assets of Wags Lending, LLC, including all accounts, accounts receivables, chattel paper,

1 contract rights, rights to payment, letters of credit, documents, and proceeds. Additionally,
2 Monterey Receivables Funding, LLC, has a filed UCC-1 dated February 20, 2014, secured
3 against certain collateral of Wags, LLC, including all accounts, accounts receivables, chattel
4 paper, contract rights, rights to payment, letters of credit, documents and proceeds.

5 b. A UCC-1 was filed on February 20, 2014, by Monterey Financial
6 Services, Inc. Profit Sharing Plan And Trust, secured against certain assets of Wags Lending,
7 LLC, including all accounts, accounts receivables, chattel paper, contract rights, rights to
8 payment, letters of credit, documents and proceeds.

9 c. Monterey Financial Services, Inc. has a UCC-1 secured with respect to assets
10 of Bristlecone Financing, LLC, filed on June 23, 2014, including all accounts, accounts
11 receivables, chattel paper, contract rights, rights to payment, letters of credit, documents, and
12 proceeds.

13 d. Monterey Financial Services, Inc. Profit Sharing Plan and Trust has a
14 filed UCC-1 secured against certain assets of Bristlecone Financing, LLC, including all
15 accounts, accounts receivables, chattel paper, contract rights, rights to payment, letters of credit,
16 documents and proceeds. .

17 e. Monterey Receivables Funding, LLC, has a filed UCC-1 dated June 23,
18 2014, securing certain assets of Bristlecone Financing, LLC, including all accounts, accounts
19 receivables, chattel paper, contract rights, rights to payment, letters of credit, documents and
20 proceeds.

21 f. Strategic Funding, Inc. had a secured claim with respect to Bristlecone
22 Holdings, LLC and Wags Lending, LLC, secured by a UCC-1 filed on March 16, 2015, secured
23 against certain assets, including all accounts, accounts receivables, chattel paper, contract rights,
24 rights to payment, letters of credit, documents and proceeds. Without taking a position as to
25 whether the Strategic Funding, Inc. claim has been paid in full, Westminster National Capital
26 Co., LLC purports to hold an assignment from Strategic Funding, Inc., filed on December 3,
27 2015. Debtors assert that this secured claim has been paid in full.

28 g. Westminster National Capital Co., LLC, has a filed UCC-1 dated November

14, 2015, in favor of Wags, LLC and Wags Lending, LLC, including all accounts, accounts receivables, chattel paper, contract rights, rights to payment, letters of credit, documents and proceeds. The estimated amount owing is \$10,895,564.14, with an estimated general unsecured claim deficiency of \$2,500,000 to \$3,500,000.

ASSETS TO BE SOLD

The Debtors' assets shall be sold in two (2) groups, detailed as follows:

a. Group #1 Assets: GAS HOLE, LLC, a Nevada limited liability company, or assignee ("Gas Hole"), shall purchase the following described personal property assets for the sum of One Hundred Fifty Thousand Dollars (\$150,000): Certain office equipment, including all computer equipment and communication systems, equipment and software, including miscellaneous computer tablets, computer monitors, filing cabinets, cubicles, appliances, headsets, dishware, office décor, chairs, telephones, office supplies, kiosks, desks, and other office equipment; Intangibles and intellectual property consisting of origination/pricing logic and algorithms for approval and pricing and customized applications and lease agreements for all eight (8) Debtor Entities; trademarks for all eight (8) Debtor Entities; for all eight (8) Debtor Entities, the Internet domain names including all domain names owned by Bristlecone, Google accounts, websites including all website historical data and logs, and website infrastructure, custom built Salesforce infrastructure, custom built Tableau dashboards and workbooks, product development records and historical data (including but not limited to those located in or utilizing Youtrack, Wrike, Asana, Slack, and other first or third party software or applications), custom built communication templates (including but not limited to all email templates, all Mailchimp templates, all Mandrill templates, letter and other form documents, all training materials, all marketing materials, all promotional offer templates, and other communication templates designed to communicate to a consumer, retailer, third-party vendor, strategic partner, or employee/independent contractor), marketing source materials and data (including but not limited to website content from the websites of all eight (8) Debtor Entities, marketing materials and contacts and lists from Constant Contact, and all other materials and data used to develop marketing materials), customer and retailer historical data (including but not limited to all

1 customer application historical data, all customer lease agreement historical data, all customer
2 communication records and historical data, all customer payment histories, all customer credit
3 information, all retailer communication records and historical data, historical data collected on
4 all present and former retailers for all eight (8) Debtor Entities, business contact lists for all
5 eight (8) Debtor Entities, Google analytics historical data for all eight (8) Debtor Entities, 8x8
6 fax number and stored data, all recorded phone calls for all eight (8) Debtor Entities, and all
7 other customer and retailer historical data developed or kept for any or all of the eight (8)
8 Debtor Entities), employee communication history and data (including but not limited to
9 communications via Slack, all data stored on tablets and/or computers, employee/independent
10 contractor files, and all other history and data of communications between Bristlecone
11 employees/independent contractors, and history and data of communications between
12 Bristlecone employees/independent contractors and third party vendors servicing or acting on
13 behalf of as agents for Bristlecone or any of the eight (8) Debtor Entities), legal/compliance
14 records and data (including but not limited to policies and procedures, merchant/retailer
15 agreements, employee handbooks and training materials, employee/independent contractor files,
16 third party vendor handbooks and training materials, legal research, legal memos, legal
17 opinions, and any other legal or compliance records and data developed or maintained by
18 Bristlecone or any of the eight (8) Debtor Entities), custom built software platform (including
19 but not limited to software platforms for underwriting, decision making, customer management,
20 lease management, customer/retailer communication, application program interface, general
21 contract management, retailer training, permissions management, state-specific compliance,
22 payment processing, funding management, customer relationship management integration,
23 accounting integration, credit bureau integrations, fraud detection/management,
24 deployment/continuous integration management, electronic signature management/integration,
25 pet warranty management, FAQ management, authentication management, and all other
26 customer built software platforms), custom built Alteryx workflows, custom built software tools
27 (including but not limited to phone call archiver, investor website, tablet power manager,
28 standalone application program interface architecture, buyout calculator website, and all other

1 custom built software tools), customized webpages, cost and terms software; miscellaneous
 2 goodwill; the medical/hearing aid, furniture, auto and bridal industry relationships (point of
 3 sale/strategic relationships); Barkify.Dog trademark and intellectual property; all the non-
 4 competes from the employment contracts for all existing employees, and all potential civil
 5 claims against third parties listed in the Schedules of Assets and Liabilities, as may be amended,
 6 filed with the Court.

7 b. Group #2 Assets: Additionally, a purchaser to be identified prior to or at the sale
 8 hearing shall purchase the following described personal property assets: Intangibles and
 9 intellectual property consisting of miscellaneous goodwill with respect to the pet industry
 10 relationships; and all point of sale relationships with respect to the pet leases. The total value of
 11 Group #2 Assets is estimated at \$250,000.00 to \$500,000.00. (Group #1 Assets and Group #2
 12 Assets are collectively referred to as the "Assets").

13 **BIDDING PROCEDURES AT THE HEARING**

14 Debtor shall allow interested bidders the opportunity to purchase Group #1 Assets
 15 and/or Group #2 Assets at the duly noticed sale hearing based upon the following bidding terms
 16 and conditions:

17 A. **Minimum Opening Bid**: Interested bidders for Group #1 Assets shall be
 18 required to submit a minimum opening bid of \$155,000 to successfully commence an
 19 overbid process above the current offer of \$150,000 by Gas Hole. The minimum
 20 opening bid for the Group #2 Assets shall be \$250,000.

21 B. **Escrow Deposit**: The winning bidder for each group of Assets shall be required
 22 to deposit with cashier's check or bank wire with the Harris Law Practice LLC Client
 23 Trust Account the sum of One Hundred Thousand Dollars (\$100,000) within twenty-
 24 four (24) hours after the hearing on the Motion, which deposit is deemed non-refundable
 25 and forfeited to the Debtors in the event the successful bidder fails to timely close for
 26 any reason;

27 C. **Proof of Funds**: At the hearing, any interested bidders must be able to provide
 28 adequate proof to the Debtors and Bankruptcy Court of the ability to fund the escrow

1 deposit and pay the final purchase price within three (3) business days of the hearing;

2 D. **Minimum bidding increments:** The minimum bidding increments shall consist
3 of no less than Five Thousand Dollars (\$5,000.00);

4 E. **Close of Escrow:** Any successful overbidder must be able to close escrow
5 within three (3) business days from the date of hearing on the Motion.

6 F. **Credit Bidding:** No credit bids shall be allowed.

7 **BASIS FOR RELIEF**

8 A. **The Sale Is a Product of the Debtors' Reasonable Business Judgment**

9 Section 363(b)(1) of the Bankruptcy Code provides: "the Trustee, after notice and a
10 hearing, may use, sell, or lease, other than in the ordinary course of business, property of the
11 estate." Section 105(a) of the Bankruptcy Code provides in relevant part: "The Court may issue
12 any order, process, or judgment that is necessary or appropriate to carry out the provisions of
13 this title." Virtually all courts have held that approval of a proposed sale or disposition of assets
14 of a debtor under section 363 of the Bankruptcy Code outside the ordinary course of business
15 and prior to the confirmation of a plan of reorganization is appropriate if the a court finds that
16 the transaction represents a reasonable business judgment on the part of the trustee or debtor-in-
17 possession. *See In re Abbotts Dairies of Pa.*, 788 F.2d 143 (3d Cir. 1986); *In re Delaware &*
18 *Hudson Ry. Co.*, 124 B.R. 169, 476 (D. Del. 1991) (holding that the following non-exclusive
19 list of factors may be considered by a court in determining whether there is a sound business
20 purpose for an asset sale: the proportionate value of the asset to the estate as a whole; the
21 amount of elapsed time since the filing; the effect of the proposed disposition of [sic] the future
22 plan of reorganization; the amount of proceeds to be obtained from the sale versus appraised
23 values of the property; and whether the asset is decreasing or increasing in value"); *In re Lionel*
24 *Corp.*, 722 F.2d 1063 (2d Cir. 1983); *Stephens Indus., Inc. v. McClung*, 789 F.2d 386, 391 (6th
25 Cir. 1986); *In re Ionosphere Clubs, Inc.*, 100 B.R. 670, 675 (Bankr. S.D.N.Y. 1989). *Walter v.*
26 *Sunwest Bank (In re Walter)*, 83 B.R. 14, 17 Bankr. Ct. Dec. 101 (B.A.P. 9th Cir. Cal. 1988).
27 When a debtor articulates a reasonable basis for its business decisions, "Courts will generally
28 not entertain objections to the debtor's conduct." *Committee of Asbestos-Related Litigants v.*

1 Johns-Manville Corp. (In re Johns- Manville Corp.), 60 B.R. 612, 616 (Bankr. S.D. N.Y. 1986).

2 The “sound business reason” test requires a trustee or debtor-in-possession to establish
3 four elements: (1) that a sound business purpose justifies the transaction outside the ordinary
4 course of business; (2) that accurate and reasonable notice has been provided to interest persons;
5 (3) that the trustee or the debtor-in-possession has obtained a fair and reasonable price; and (4)
6 good faith. In re Titusville Country Club, 128 B.R. 396, 399 (Bankr. W.D. Penn. 1991); In re
7 Sovereign Estates, Ltd., 104 B.R. 702, 704 (Bankr. E.D. Pa. 1989); Phoenix Steel Corp., 82
8 B.R. 334, 335-36 (Bankr. D. Del. 1987); *see also* Stephens Indus., 789 F.2d 386, 390 (6th Cir.
9 1986); In re Lionel Corp., 722 F.2d 1063, 1071 (2nd Cir. 1983).

10 The paramount goal in any proposed sale or use of property of the estate is to maximize
11 the proceeds received by the estate. See, e.g., In re Food Barn Stores, Inc., 107 F.3d 558, 564-
12 65 (8th Cir. 1997) (in bankruptcy sales, “a primary objective of the Code [is] to enhance the
13 value of the estate at hand”); Integrated Resources, 147 B.R. 650, 659 (S.D. NY 1992) (“It is a
14 well-established principle of bankruptcy law that the... [trustee’s] duty with respect to such
15 sales is to obtain the highest price or greatest overall benefit possible for the estate.”) (quoting
16 In re Atlanta Packaging Prods., Inc., 99 BR. 124, 130 (Bankr. N.D. Ga. 1988)). As long as the
17 transaction appears to enhance a debtor’s estate, court approval of a trustee’s decision should
18 only be withheld if the trustee’s judgment is clearly erroneous, too speculative, or contrary to
19 the provisions of the Bankruptcy Code. GBL Holding Co., Inc. v. Blackburn/Travis/Cole, Ltd.,
20 331 B.R. 251, 255 (N.D. Tex. 2005); In re Lajijani, 325 B.R. 282, 289 (9th Cir. B.A.P. 2005); In
21 re WPRV-TV, Inc., 143 B.R. 315, 319 (D.P.R. 1991) (“The trustee has ample discretion to
22 administer the estate, including authority to conduct public or private sales of estate property.
23 Courts have much discretion on whether to approve proposed sales, but the trustee’s business
24 judgment is subject to great judicial deference.”).

25 In the instant case, the Debtors are all currently operating as a going concern. However,
26 secured creditors Monterey Financial Services, Inc., Monterey Financial Services, Inc. Profit
27 Sharing Plan and Trust, Monterey Receivables Funding, LLC and FRS BC, LLC as assignee of
28 Westminster National Capital Co., LLC, are all claiming cash collateral interests in most of the

1 revenue derived from the Debtors' lease contracts. To date, the Debtors have not been able to
 2 obtain consent of any of the secured creditors for the use of cash collateral. Based on ongoing
 3 operating expenses, Debtors will most likely run out of cash in about four weeks from now. As
 4 a result of the nature of the Debtors' assets that are being sold herein, the Debtors can only
 5 maximize the value of their assets if they are still operating as a going concern when the assets
 6 are sold. In light of the imminent danger the Debtors are facing in running out of cash to
 7 continue operations, it is the Debtors' best business judgment that the assets be sold at this time
 8 in the manner proposed herein.

9 B. The Bidding Procedures Are Appropriate and Will Maximize the Value Received for the
 10 Assets

11 As discussed above, the paramount goal of any proposed sale or use of property of the
 12 estate is to maximize the proceeds received by the estate. To that end, courts recognize that
 13 procedures intended to enhance competitive bidding are consistent with this goal and therefore
 14 are appropriate in the context of bankruptcy sales. See, e.g. In re Fin'l News Network, Inc., 126
 15 B.R. 152, 156 (Bankr. S.D.N.Y. 1991) ("court-imposed rules for the disposition of assets...
 16 [should] provide an adequate basis for comparison of offers, and [should] provide for a fair and
 17 efficient resolution of bankrupt estates").

18 The bidding procedures proposed in this Motion establish parameters under which the
 19 value of the Assets may be tested at the sale hearing, thus ensuring a competitive and fair
 20 bidding process and increasing the likelihood that the Debtors' creditors will receive the
 21 greatest possible distribution. Prior to the sale hearing, the Debtors will market the assets
 22 through their industry contacts and will also publish the Notice of this Motion in several widely
 23 circulated local and/or national publications. The bidding procedures allow the Debtors to
 24 undertake the sale of the Assets in as expeditious and efficient manner as possible, which the
 25 Debtors believe is essential to maximizing the value of their estate for their creditors.

26 The Debtors also believe that the proposed sale and bidding procedures will promote
 27 active bidding from seriously interested parties and will dispel any doubt as to the best and
 28 highest offer reasonably available for the Assets. In particular, the proposed sale and

1 overbidding will allow the Debtors to conduct the sale under the auspices of the Bankruptcy
 2 Court in a controlled, fair, and open fashion that will encourage participation by financially
 3 capable bidders who demonstrate the ability to close a transaction. Further, the proposed
 4 bidding procedures provide the Debtors with the opportunity to consider all of the highest and
 5 best offer(s) for the Assets.

6 In sum, the Debtors believe that the proposed sale and bidding procedures are consistent
 7 with the relevant standards governing auction proceedings and bidding incentives in bankruptcy
 8 proceedings.

9 The Bankruptcy Rules require that notice of a proposed use, sale, or lease of property,
 10 other than cash collateral, not in the ordinary course of business be given pursuant to Fed. R.
 11 Bankr. P. 2002(a)(2), (c)(1), (i), and (k) and Fed. R. Bankr. P. 6004(a). Taken together, these
 12 provisions of Bankruptcy Rule 2002 require notification to creditors of the proposed sale of the
 13 Debtors' assets, including a disclosure of the time and place of an auction, the terms and
 14 conditions of a sale, and the deadline for filing any objections. Fed. R. Bankr. P. 2002(a)(2),
 15 (c)(1), (i), and (k).

16 The Debtors submit that this Motion and corresponding Notice filed concurrently
 17 herewith, fully comply with Bankruptcy Rule 2002 and are reasonably calculated to provide
 18 timely and adequate notice of the sale to the Debtors' creditors and other interested parties, as
 19 well as to those parties who have expressed an interest, or may express an interest, in bidding on
 20 the Assets. The proposed time frame between the filing of this Motion, the commencement of
 21 the bidding process and the sale hearing will provide interested purchasers sufficient time to
 22 participate in the bidding process.

23
 24 C. Any Sale of the Assets Should Be Free and Clear of Liens, Claims, Encumbrances, and
Interests

25 Pursuant to section 363(f) of the Bankruptcy Code, the Debtors seek authority to sell and
 26 transfer their rights, interests and title in the Assets to the success buyer(s) free and clear of all
 27 liens, claims, encumbrances, and interests, with such liens, claims, encumbrances, and interests
 28 to attach to the proceeds of the sale of the Assets, subject to any rights and defenses of the

1 Debtors and other parties in interest with respect thereto.

2 Section 363(f) of the Bankruptcy Code provides in pertinent part:

3 The trustee may sell property under subsection (b) or (c) of this Section free and clear
4 of any interest in such property of an entity other than the estate only if-

5 (1) applicable nonbankruptcy law permits sale of such property free and clear of such
6 interest;

7 (2) such entity consents;

8 (3) such interest is a lien and the price at which such property is to be sold is greater
9 than the aggregate value of all liens on such property;

10 (4) such interest is in a bona fide dispute; or

11 (5) such entity could be compelled, in a legal or equitable proceeding, to accept a
12 money satisfaction of such interest.

13 11 U.S.C. §363 (f). See also In re Elliot, 94 B.R. 343, 345 (E.D. Pa. 1988) (holding that section
14 363(f) written in disjunctive; court may approval sale “free and clear” provided at least one of
15 the requirements is met).

16 The Debtors also seek an order of the Court prohibiting all persons holding liens, claims,
17 encumbrances, and other interests, including rights or claims based on any successor or
18 transferee liability, from asserting them against any successful Buyer under Section 363(f) of
19 the Bankruptcy Code. In this case, the Debtors do not believe that any of the assets being sold
20 are encumbered by any secured creditor. Any claims by the Monterey entities and FRS BC/
21 Westminster are secured by certain designated lease contracts, and not by any of the personal
22 property assets being sold at this time.

23 Any holders of liens, claims, encumbrances, or interests who do not object or who
24 withdraw their objections to the sale or the Motion are deemed to have consented to the Motion
25 and sale pursuant to Bankruptcy Code §363(f)(2).

26 **REQUEST FOR RELIEF FROM BANKRUPTCY RULE 6004**

27 Bankruptcy Rule 6004(h) provides that an “order authorizing the use, sale, or lease of
28 property... is stayed until the expiration of 14 days after entry of the order, unless the court

orders otherwise.” Fed. R. Bankr. P. 6004(h).

Courts in this district routinely waive the stay with respect to bidding procedures and sale orders. *See, e.g., In re Nathan L. Topol*, Case No. 12-51014-gwz (Bankr. D. Nev. Oct. 30, 2015); *In re David M. Semas and Susan O. Semas*, Case No. 13-52337-btb (Bankr. D. Nev. April 5, 2017); *In re Western Funding, Inc.*, Case No. 13-1758-LED (Bankr. D. Nev. Nov. 27, 2013); *In re Xyience Incorporated*, Case No. 08-10474-MKN (Bankr. D. Nev. April 7, 2008); *In re Rodeo Creek Gold, Inc.*, Case No. 13-50301-MKN (Bankr. D. Nev. May 3, 2013); *In re November 2005 Land Investors*, Case No. 11-20704-MKN (Bankr. D. Nev. Dec. 15, 2011); *In re Western Funding, Inc.*, Case No. 13-1758-LED (Bankr. D. Nev. Jan. 6, 2014). The Debtors respectfully submit that waiver of the stay is appropriate and justified. The proposed bidding procedures and the timeline for the hearing on this Motion, balance the due process protections of the Bankruptcy Code with the reality of the Debtors’ financial situation and their need to quickly maximize and realize the value of the Assets. As a result, the stay should be waived, and the Debtors should be authorized to act in accordance with the Bidding Procedures as expeditiously as possible.

SAFE HARBOR FOR BUYER UNDER §363(m)

Lastly, the proposed purchase offer by Gas Hole, LLC of Group #1 Assets was negotiated in good faith, and the Debtors believe its terms are fair and reasonable as dictated by current market conditions. Additionally, the proposed bidding procedures provide the opportunity for other interested parties to purchase Group #1 Assets and/or Group #2 Assets in a fair and open Court supervised process. Accordingly, the Debtors would also request that this Court make its finding that any successful buyer is a good faith purchaser and subject to the protections afforded it pursuant to 11 U.S.C. §363(m).

CONCLUSION

Wherefore, the Debtors respectfully request that this Court enter its Order: 1) authorizing the sale of certain assets identified in this Motion as Group #1 Assets to Gas Hole, LLC, a Nevada limited liability company, or assignee, for the total price of \$150,000 cash, subject to the overbid procedures and terms and conditions set forth in this Motion; 2)

1 authorizing the sale of Group #2 Assets to any successful buyer to be identified prior to or at the
2 hearing on this Motion subject to the bidding procedures and terms and conditions set forth in
3 this Motion; 3) granting relief from the 14 day stay requirements of Rule 6004; and 4) finding
4 that any successful buyer of the Assets is a good faith purchaser and subject to the "safe harbor"
5 protections of 11 U.S.C. §363(m); and 5) for such other and further relief as is just and proper.

6 DATED this 14th day of June, 2017.

7 STEPHEN R. HARRIS, ESQ.
8 HARRIS LAW PRACTICE LLC

9 */s/ Stephen R. Harris*

10

Attorneys for Jointly Administered Debtors